



PSC NEWS

Missouri Public Service Commission

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PSC ORDERS EARLY REDUCTION IN NATURAL GAS RATES FOR MISSOURI GAS ENERGY CUSTOMERS

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Missouri Gas Energy (MGE) customers will see natural gas rates drop by approximately 20% under a filing which takes effect on Wednesday, January 11, 2006. MGE's filing originally contemplated a January 20, 2006 effective date.

"Every dollar counts for consumers who have been dealing with high natural gas bills this winter," said PSC Chairman Jeff Davis. "That is why it is important that the Commission act quickly in order for consumers to receive this rate relief as soon as possible," Davis said.

A residential customer currently pays approximately \$1.17 per Ccf (per 100 cubic feet of gas). Under this filing, MGE will drop that rate to approximately \$0.94 per Ccf (per 100 cubic feet of gas), a decrease of approximately \$0.23 per Ccf. According to MGE, this represents a reduction of approximately 20%. MGE says the reduction could save a typical residential customer about \$28.70 a month for the rest of the winter heating season.

Approximately 70% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Missouri Gas Energy serves approximately 500,000 natural gas customers in western Missouri.